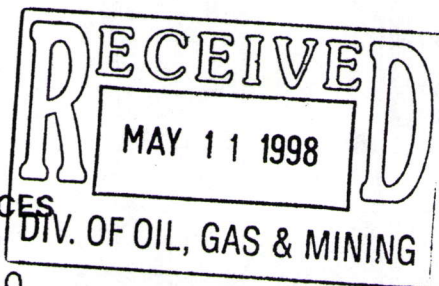


File Number M/049/001
Effective Date May 20, 1998

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940



RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)	<u>M/049/001</u>
(Mineral Mined)	<u>Limestone, Dolomite, Quartzite</u>
"MINE LOCATION":	
(Name of Mine)	<u>Keigley Quarry</u>
(Description)	<u>SW1/4 SEC15; SE1/4 SE1/4</u>
	<u>SEC16 SEC22; SW1/4 SW1/4 SEC23</u>
	<u>W1/2 NW1/4 SEC26; NE1/4, E1/2 NE1/4 NW1/4</u>
	<u>SEC27; T9S, R1E, SLB&M</u>
"DISTURBED AREA":	
(Disturbed Acres)	<u>400 Acres Approx.</u>
(Legal Description)	<u>(refer to Attachment "A")</u>
"OPERATOR":	
(Company or Name)	<u>Geneva Steel Company</u>
(Address)	<u>10 South Geneva Road</u>
	<u>Vineyard, UT 84058</u>
	<u>Clyde Gabbittas - Company Contact</u>
(Phone)	<u>801-227-9594</u>

"OPERATOR'S REGISTERED AGENT":

(Name)

Ken C. Johnsen

(Address)

General Counsel

Geneva Steel

(Phone)

10 South Geneva Road, Vineyard, UT 84058

(801) 227-9000

"OPERATOR'S OFFICER(S)":

Robert J. Grow, President

Richard Clayton, Vice President

Dennis L. Wanlass, Vice President & CFO

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

United Pacific Insurance Company

Bond Number

"SURETY AMOUNT":

(Escalated Dollars)

\$615,500.00

"ESCALATION YEAR":

2003

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Geneva Steel Company the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/001 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated June 22, 1977, and the original Reclamation Plan dated June 22, 1977. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face

amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Geneva Steel Company
Operator Name

By Dennis L. Wanlass
Authorized Officer (Typed or Printed)

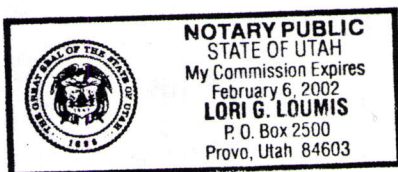
Vice President and Chief Financial Officer
Authorized Officer - Position

Dennis Wanlass
Officer's Signature

5-5-98
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 5th day of May, 19 98, personally
appeared before me Dennis Wanlass who being by
me duly sworn did say that he/she, the said Dennis Wanlass
is the V.P. & CFO of Geneva Steel
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws, or a resolution of its board of directors and said
Dennis Wanlass duly acknowledged to me that said
company executed the same.



Lori Lomis
Notary Public
Residing at: SLC, Utah

2-6-2002
My Commission Expires:

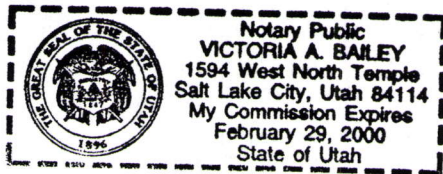
DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton
Lowell P. Braxton, Acting Director

5/20/98
Date

STATE OF UTAH)
COUNTY OF SALT LAKE) ss:

On the 20th day of May, 1998, personally appeared before me LOWELL P. BRAXTON, who being duly sworn did say that he/~~she~~, the said LOWELL P. BRAXTON is the Acting Director of the Division of Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/~~she~~ duly acknowledged to me that he/~~she~~ executed the foregoing document by authority of law on behalf of the State of Utah.



Victoria A. Bailey
Notary Public
Residing at: SALT LAKE CITY, UT

February 29, 2000
My Commission Expires:

ATTACHMENT "A"

<u>Geneva Steel Company</u>	<u>Keigley Quarry</u>
Operator	Mine Name
<u>M/049/001</u>	<u>Utah</u>
Permit Number	County, Utah

The legal description of lands to be disturbed is:

The lands to be disturbed, consisting of approximately 400 acres, are located within the following described areas:

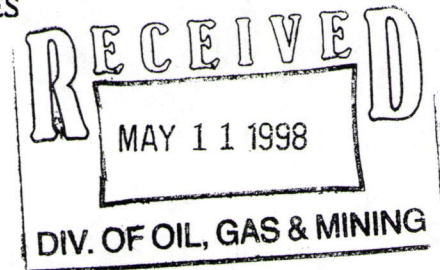
SW1/4 Section 15; N1/2 SE1/4, SE1/4 SE1/4, Section 16; Section 22;
SW1/4 SW1/4 Section 23; W1/2 NW1/4 Section 26, NE1/4, E1/2 NE1/4 NW1/4
Section 27; Township 9 South, Range 1 East, SLB&M.

ATTACHMENT B

MR FORM 5
June 10, 1996

Bond Number _____
Permit Number M/049/001
Mine Name KEIGLEY QUARRY

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned GENEVA STEEL COMPANY, as Principal,
and UNITED PACIFIC INSURANCE COMPANY, as Surety, hereby jointly and
severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly
and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal
sum of SIX HUNDRED FIFTEEN THOUSAND
FIVE HUNDRED AND NO/100* * * * * dollars (\$ 615,500.00* * * * *).

Principal has estimated in the Mining and Reclamation Plan approved by the Division
on the 23RD day of MARCH, 19 89, that 400 acres of land will
be disturbed by mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and
Reclamation Plan and has faithfully performed all requirements of the Mined Land
Reclamation Act, and complied with the Rules and Regulations adopted in accordance
therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and
regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in
the area disturbed or the extent of disturbance, then, the Division may require that the amount
of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

GENEVA STEEL COMPANY

Principal (Permittee)

4/2/98

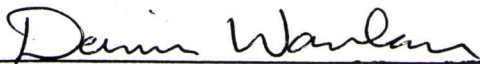
Date

Dennis Wanlass

By (Name typed):

Vice President, Treasurer & CFO

Title



Signature

Surety Company

UNITED PACIFIC INSURANCE COMPANY


Company Officer

4/2/98

Date

ATTORNEY-IN-FACT

Title/Position


Signature

TINA M. DAVIS

SO AGREED this 20th day of May, 1998.

Lowell P Braxton

Lowell P. Braxton, Acting Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION

On the 2ND day of APRIL, 1998, personally appeared before me
TINA M. DAVIS who being
by me duly sworn did say that he/she, the said TINA M. DAVIS is the ATTORNEY-IN-FACT
ATTORNEY-IN-FACT of UNITED PACIFIC INSURANCE COMPANY and duly
acknowledged that said instrument was signed on behalf of said company by authority of its
bylaws or a resolution of its board of directors and said
TINA M. DAVIS duly acknowledged to me that said company
executed the same, and that he/she is duly authorized to execute and deliver the foregoing
obligations; that said Surety is authorized to execute the same and has complied in all
respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking
and obligations.

Signed: *Tina M. Davis*
Surety Officer

Title: TINA M. DAVIS, ATTORNEY-IN-FACT

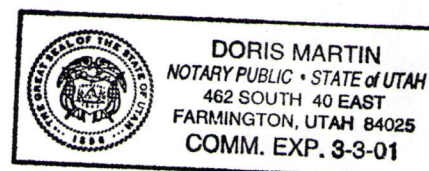
STATE OF UTAH)
COUNTY OF SALT LAKE) ss:

Subscribed and sworn to before me this 2ND day of APRIL, 1998.

Doris Martin
Notary Public
Residing at: FARMINGTON, UTAH

My Commission Expires:

MARCH 3, 2001, 19



**RELIANCE SURETY COMPANY
UNITED PACIFIC INSURANCE COMPANY**

**RELIANCE INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY**

ADMINISTRATIVE OFFICE, PHILADELPHIA, PENNSYLVANIA

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that RELIANCE SURETY COMPANY is a corporation duly organized under the laws of the State of Delaware, and that RELIANCE INSURANCE COMPANY and UNITED PACIFIC INSURANCE COMPANY, are corporations duly organized under the laws of the Commonwealth of Pennsylvania and that RELIANCE NATIONAL INDEMNITY COMPANY is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called "the Companies") and that the Companies by virtue of signature and seals do hereby make, constitute and appoint Earl D. Brown, Doris Martin, Karen Hone, Kim Evans, Jace D. Pearson, Tina M. Davis, Vicki L. Sorensen, of Salt Lake City, Utah their true and lawful Attorney(s)-in-Fact, to make, execute, seal and deliver for and on their behalf, and as their act and deed any and all bonds and undertakings of suretyship and to bind the Companies thereby as fully and to the same extent as if such bonds and undertakings and other writings obligatory in the nature thereof were signed by an Executive Officer of the Companies and sealed and attested by one other of such officers, and hereby ratifies and confirms all that their said Attorney(s)-in-Fact may do in pursuance hereof.

This Power of Attorney is granted under and by the authority of Article VII of the By-Laws of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY which provisions are now in full force and effect, reading as follows:

ARTICLE VII - EXECUTION OF BONDS AND UNDERTAKINGS

1. The Board of Directors, the President, the Chairman of the Board, any Senior Vice President, any Vice President or Assistant Vice President or other officer designated by the Board of Directors shall have power and authority to (a) appoint Attorney(s)-in-Fact and to authorize them to execute on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (b) to remove any such Attorney(s)-in-Fact at any time and revoke the power and authority given to them.

2. Attorney(s)-in-Fact shall have power and authority, subject to the terms and limitations of the Power of Attorney issued to them, to execute deliver on behalf of the Company, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof. The corporate seal is not necessary for the validity of any bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof.

3. Attorney(s)-in-Fact shall have power and authority to execute affidavits required to be attached to bonds, recognizances, contracts of indemnity or other conditional or obligatory undertakings and they shall also have power and authority to certify the financial statement of the Company and to copies of the By-Laws of the Company or any article or section thereof.

This Power of Attorney is signed and sealed by facsimile under and by authority of the following resolution adopted by the Executive and Finance Committees of the Boards of Directors of Reliance Insurance Company, United Pacific Insurance Company and Reliance National Indemnity Company by Unanimous Consent dated as of February 28, 1994 and by the Executive and Financial Committee of the Board of Directors of Reliance Surety Company by Unanimous Consent dated as of March 31, 1994.

"Resolved that the signatures of such directors and officers and the seal of the Company may be affixed to any such Power of Attorney or any certificates relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company and any such Power so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company, in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Companies have caused these presents to be signed and their corporate seals to be hereto affixed, this **October 8, 1996**.



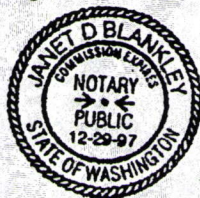
RELIANCE SURETY COMPANY
RELIANCE INSURANCE COMPANY
UNITED PACIFIC INSURANCE COMPANY
RELIANCE NATIONAL INDEMNITY COMPANY

Mark W. Alsop

STATE OF Washington }
COUNTY OF King } ss.

On this, **October 8, 1996**, before me, Janet Blankley, personally appeared **Mark W. Alsop**, who acknowledged himself to be the Vice President of the Reliance Surety Company, Reliance Insurance Company, United Pacific Insurance Company, and Reliance National Indemnity Company and that as such, being authorized to do so, executed the foregoing instrument for the purpose therein contained by signing the name of the corporation by himself as its duly authorized officer.

In witness whereof, I hereunto set my hand and official seal.



Janet D. Blankley
Notary Public in and for the State of Washington
Residing at Puyallup

I, **Robyn Layng**, Assistant Secretary of RELIANCE SURETY COMPANY, RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY, and RELIANCE NATIONAL INDEMNITY COMPANY do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 2ND day of APRIL 19 98.

Robyn Layng
Assistant Secretary

